

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 294 be amended to read as follows:

- 1 Page 2, between lines 11 and 12, begin a new paragraph and
- 2 insert:
- 3 "SECTION 2. IC 4-30-11-2 IS AMENDED TO READ AS
- 4 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. **Except as provided**
- 5 **in IC 4-30-11.5**, the right of any person to a prize is not assignable. A
- 6 prize may be paid to the estate of a deceased prize winner or to a
- 7 person designated under an appropriate judicial order.
- 8 SECTION 3. IC 4-30-11.5 IS ADDED TO THE INDIANA CODE
- 9 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 10 JULY 1, 1999]:
- 11 **Chapter 11.5. Voluntary Assignment of Lottery Prizes**
- 12 **Sec. 1. The right of a person to receive payments due under a**
- 13 **prize that is paid in installments over time may be voluntarily**
- 14 **assigned, in whole or in part, if the assignment is made to a person**
- 15 **or entity designated under an order of a court with jurisdiction in**
- 16 **the county where the assigning winner resides or where the**
- 17 **commission's offices are located.**
- 18 **Sec. 2. A court shall issue an order approving a voluntary**
- 19 **assignment and directing the commission to direct prize payments**
- 20 **in whole or in part to the assignee if the following requirements are**
- 21 **met:**
- 22 (1) **The assignment:**
- 23 (A) **is in writing;**
- 24 (B) **is signed by the assigning winner; and**
- 25 (C) **is, by its terms, subject to Indiana law.**
- 26 (2) **The assigning winner provides a sworn affidavit attesting**
- 27 **that:**

- 1 (A) the assigning winner is:
2 (i) of sound mind;
3 (ii) in full command of the individual's faculties;
4 and
5 (iii) not acting under duress;
6 (B) the assigning winner has been advised regarding the
7 assignment by independent legal counsel and has had
8 the opportunity to receive independent financial and tax
9 advice concerning the effects of the assignment;
10 (C) the assigning winner understands and agrees that,
11 with regard to the assigned payments, the commission
12 has no further liability or responsibility to make the
13 assigned payments to the assigning winner;
14 (D) the assigning winner has been provided with a one
15 (1) page written disclosure statement setting forth in 14
16 point or larger bold type:
17 (i) the payments being assigned, by amount and
18 payment date;
19 (ii) the purchase price;
20 (iii) the rate of discount to present value, assuming
21 daily compounding and funding on the contract
22 date; and
23 (iv) the amount of any origination or closing fee
24 charged to the assigning winner; and
25 (E) the assigning winner was advised in writing before
26 signing the assignment that the assigning winner had the
27 right to cancel the contract without any further
28 obligation within three (3) business days following the
29 date the contract was signed.
30 Sec. 3. A voluntary assignment may not include or cover
31 payments or portions of payments that are subject to offset under
32 IC 4-30-11-11 for a defaulted or delinquent child support
33 obligation, unless appropriate provision is made in the assignment
34 order to satisfy the obligations giving rise to the offset.
35 Sec. 4. The commission is discharged of all liability upon
36 payment of a prize under this chapter.
37 Sec. 5. The commission may establish a reasonable fee to
38 defray administrative expenses associated with an assignment
39 made under this chapter, including the cost of any processing fee
40 that might be imposed by a private annuity provider. The fee
41 amount must reflect the direct and indirect costs associated with
42 processing an assignment.
43 Sec. 6. (a) Notwithstanding the provisions of this chapter, a
44 prize winner may not assign prize payments upon:
45 (1) the issuance by the United States Internal Revenue
46 Service of a technical rule letter, revenue ruling, or other
47 public ruling that determines that, based upon the right of
48 assignment provided in this chapter, a prize winner who does
49 not assign a prize payment would be subject to an immediate
50 income tax liability for the value of the entire prize rather
51 than the annual income tax liability for each taxable year
52 that an installment is received; or

(2) the issuance by a court of a published decision holding that, based upon the right of assignment provided in this chapter, a prize winner who does not assign a prize payment would be subject to an immediate income tax liability for the value of the entire prize rather than the annual income tax liability for each taxable year that an installment is received.

(b) Upon receipt of a letter or ruling from the United States Internal Revenue Service or a published decision of a court described in subsection (a), the commission shall file a copy of the letter, ruling, or published decision with the secretary of state.

(c) A prize winner is ineligible to assign a prize under this chapter immediately upon the filing by the commission of a letter, ruling, or published decision under subsection (b).

Sec. 7. With regard to any prize paid over a course of years in accordance with a schedule established by the commission at the time of the award, the commission may not alter the timing or amount of the scheduled payments or otherwise accelerate, defer, commute, or discount the scheduled payments.

SECTION 4. IC 4-30-14-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 2. (a) **This section does not apply to advertisements or negotiations relating to a voluntary assignment order issued under IC 4-30-11.5.**

(b) A person who:

(1) induces another person to assign or transfer a right to claim a prize;

(2) offers for sale the right to claim a prize; or

(3) offers for compensation to claim the prize of another person; commits a Class A misdemeanor."

Renumber all SECTIONS consecutively.

(Reference is to ESB 294 as printed April 6, 1999.)

Representative ALDERMAN